



March 15, 2010

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Interim Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Pursuant to S.C. Code §58-5-430
Docket No. 2005-125-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending December 31, 2009, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or Robert Thornton at 704-731-4148.

Sincerely,

s/ Jenny Furr
Jenny Furr
Manager, Regulatory Reporting

Enclosures

c: ORS – Carey Stites (5 copies via overnight delivery)
Scott Elliott
James H. Jeffries IV

CERTIFICATION

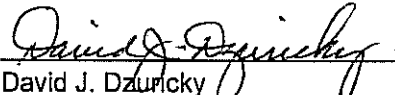
I, Thomas E. Skains and David J. Dzuricky, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

3/11/10

Date Signed




David J. Dzuricky
Senior Vice President and CFO

3/11/10

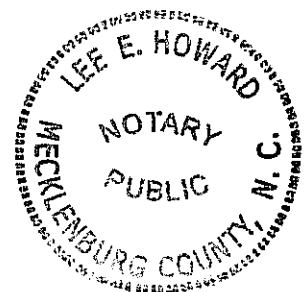
Date Signed

Subscribed and Sworn to before me this

11 day of March, 2002010


Notary Public Lee E. Howard

My Commission Expires MY COMMISSION EXPIRES 10-29-10



Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2009
South Carolina
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	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 176,429,972	\$ 4,554,654	\$180,984,626
Other Operating Revenues	902,179	-	902,179
Total Operating Revenue	<u>\$ 177,332,151</u>	<u>\$ 4,554,654</u>	<u>\$ 181,886,805</u>
Operating Expenses			
Cost of Gas	\$ 112,145,723	\$ (2,890,231)	\$109,255,492
Other Operation & Maintenance	27,412,259	(73,629)	27,338,629
Depreciation	12,000,105	477,984	12,478,089
General Taxes	6,467,174	370,472	6,837,647
State Income Taxes	976,216	25,018	1,001,234
Federal Income Taxes	4,478,228	2,179,975	6,658,203
Amort. of ITC	(30,695)	-	(30,695)
Total Operating Expenses	<u>\$ 163,449,009</u>	<u>\$ 89,589</u>	<u>\$ 163,538,599</u>
Net Operating Income	<u>\$ 13,883,142</u>	<u>\$ 4,465,065</u>	<u>\$ 18,348,207</u>
Interest on Customer Deposits	(136,565)	-	(136,565)
Amortization of Debt Redemption Premium	(9,833)	32	(9,802)
AFDUC (Allowance for Funds Use Const)	38,499		38,499
Customer Growth	9,623	3,126	\$12,748
Net Operating Income For Return	<u>\$ 13,784,865</u>	<u>\$ 4,468,222</u>	<u>\$ 18,253,087</u>
Original Cost Rate Base			
Plant in Service	\$ 385,159,409		\$ 385,159,409
Accumulated Depreciation	(155,791,112)		(155,791,112)
Net Plant in Service	<u>\$ 229,368,297</u>	<u>\$ -</u>	<u>\$ 229,368,297</u>
Add:			
Construction Work in Progress	3,057,093		3,057,093
Materials and Supplies	16,307,448		16,307,448
Cash Working Capital	869,019	(43,186)	825,833
Deduct:			
Customer Advances for Construction	-		-
Customer Deposits	4,133,344		4,133,344
Accumulated Deferred Income Taxes	43,406,158		43,406,158
Unclaimed Funds	339,745		339,745
Total Original Cost Rate Base	<u>\$ 201,722,609</u>	<u>\$ (43,186)</u>	<u>\$ 201,679,423</u>
Return on rate base	<u>6.83%</u>		<u>9.05%</u>

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2009
South Carolina
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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	After Accounting and Proforma Adjustments							
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	723,438,557.00	-	723,438,557.00	43.15%	87,022,168.00	6.7160%	2.90%	5,844,408.80
2. Common Equity	953,176,429.95	-	953,176,429.95	56.85%	114,657,255.00	10.8200%	6.15%	12,408,677.97
3. Total	<u>\$ 1,676,614,987</u>	<u>0</u>	<u>\$ 1,676,614,987</u>	<u>100.00%</u>	<u>\$ 201,679,423</u>		<u>9.05%</u>	<u>\$ 18,253,087</u>

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report for the Twelve-Month Period Ending December 31, 2009* is being served this date via email and UPS Overnight (5 copies) upon:

Jeffrey M. Nelson
C. Lessie Hammonds
Carey Stites
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov
lhammon@regstaff.sc.gov
cstites@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report for the Twelve-Month Period Ending December 31, 2009* is being served this date via email and U.S. Mail upon:

Scott Elliott
Elliott and Elliott, PA
721 Olive Street
Columbia, South Carolina 29205
sellott@elliottlaw.us

David Carpenter
Managing Director Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
david.carpenter@piedmontng.com

Pia Powers
Manager, Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 15th day of March, 2010.

s/ James H. Jeffries IV
James H. Jeffries IV